

For the past several years Nestle has been in the process of switching to another system, which will go live in the first quarter of 2003. Our technology department has strongly suggested that we wait until the transition to the new system before switching to electronic invoicing. Switching to EDI at this time will be counter productive to the system change since it will take away resource for the transition to the new system. In addition, the EDI process will need to be reprogrammed when the new system goes live.

Also, I've inquired about using the Wide Area Work Flow for one of our contracts with DCMA, but I am told that WAWF is still being tested.

Thank you,

Jeriel U. Lubaton

PH: 818-551-3653

FX: 818-553-3516

jeriel.lubaton@us.nestle.com

8/1/2002